

**STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE**

In the matter of:	)	
	)	SCDOI File No. 124070
	)	
Cathy E. Brinegar	)	<b>DEFAULT ORDER REVOKING</b>
	)	<b>LICENSE</b>
881 Surfside Dr.	)	
Surfside Beach, SC 29575	)	
_____	)	

This matter comes before me pursuant to a letter of allegation and notice of opportunity for public hearing served, as required by S.C. Code Ann. § 38-43-130, by the South Carolina Department of Insurance upon Cathy E. Brinegar, both by certified mail, return receipt requested, and by regular mail, on March 14, 2005. Pursuant to the notice, Ms. Brinegar, on April 11, 2005, requested a hearing in the South Carolina Administrative Law Court. That court returned the case to the Department of Insurance unprocessed on March 8, 2006 because Ms. Brinegar failed to pay the filing fee, after being informed by the court on April 18, 2005 that she had not included the fee with her hearing request.

That department's allegation letter informed Ms. Brinegar that the department had obtained evidence that she issued certificates for coverage that she did not write, falsified policy numbers for coverage that she failed to place, lied about requests for coverage, concealed dates on incoming mail, and misled insureds. The department's subsequent investigation revealed, and I find as fact, that Ms. Brinegar: (1) failed to place renewal workers compensation coverage for Anderson Roofing, and falsified a certificate of insurance on October 16, 2004 falsely showing that Anderson Roofing had coverage; (2)

failed to complete applications for flood insurance for Bermuda Run HOA, and falsified certificates of insurance falsely showing that Bermuda Run was insured; (3) failed to process renewals for Myrtle Beach Christian Retreat; (4) failed to process an application for directors and officers coverage for River Oaks Garden Homes, and falsified certificates of insurance falsely showing that such coverage had been issued; (5) failed to process a renewal application for Sea Cabin HOA directors and officers policy, and falsified a certificate of insurance falsely showing that such insurance was in place; and (6) failed to process a flood insurance application for Windy Shores HOA and falsified a policy number and issued certificates showing flood insurance was in effect.

These actions are violations of Section 38-43-130 of the South Carolina Code.

The penalties for violation of that section include revocation of an agency's license.

Section 38-43-130 of the South Carolina Code provides:

(A) The director or his designee may place on probation, revoke, or suspend a producer's license after ten days' notice or refuse to reissue a license when it appears that a producer has been convicted of a crime involving moral turpitude, or has violated this title or any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State.

....

(C) The words "deceived or dealt unjustly with the citizens of this State" include, but are not limited to, action or inaction by the producer as follows:

....

(4) improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business;

....

(8) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere . . . .

. . . .

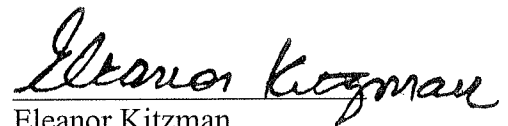
(16) failing to deliver promptly a policy, endorsement, or rider to any insured . . . .

After a thorough review of the matter, pursuant to my findings of fact and conclusions of law, I hereby conclude that Ms. Brinegar has violated the law, and I order that her license be revoked.

Nothing contained in this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110, of the director of insurance, exercised either directly or through the department, to “report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report.”

I therefore order that the producer’s license of Cathy E. Brinegar is hereby revoked. I further order that a copy of this order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

It is so ordered.

  
Eleanor Kitzman  
Director of Insurance

Columbia, South Carolina

March 23, 2006